

Management of Organisations

Diversity and making it work

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Why Murder Mystery Task?

Teams can be beneficial because they bring informational diversity

- Differences in knowledge bases, perspectives, expertise, etc.

However, we often fail to fully utilize informational diversity due to:

- Issues with team formation
- Issues with information exchange
 - Common knowledge effect

Issues with Team Formation

We tend to select team members based on:

- Proximity
- Similarity
- Liking

		Is the candidate suitable <i>in reality</i> ?	
		Yes	No
Does the entrepreneur <i>perceive</i> candidate to be suitable?	Yes	Good decision (to Recruit)	Recruiting unsuitable candidate <i>Possible biases/heuristics:</i> <ul style="list-style-type: none"> • Ingroup bias • Positive stereotyping • Halo effect • Representativeness heuristic • Confirmation bias • Availability heuristic • Affect heuristic • Recency effect • Status Quo bias
	No	Rejecting suitable candidate <i>Possible biases/heuristics:</i> <ul style="list-style-type: none"> • Outgroup bias • Negative stereotyping • Horns effect • Representativeness heuristic • Confirmation bias • Affect heuristic 	Good decision (to Reject)

(Pinto, 2014)

Common Knowledge Effect

- Groups spend the majority of time discussing information they all have in common; unique information is rarely shared and, if shared, it is not widely discussed
 - *“If HP knew what HP knows it would be three times more profitable!” Lewis Platt, ex-CEO*
- Main causes
 - Unshared information is judged as less compelling; common knowledge builds relationship/trust
 - Conformity pressures and fear of social exclusion
 - Group members are “anchored by” initial preferences
 - Group members seek confirmatory evidence
- Implications
 - Cross-functional teams may be ineffective; informational diversity is not capitalized
 - Contributes to group polarization

Common Knowledge Effect

- Is unique information shared?
 - 4-person teams in political candidate selection task (3 candidates, with Candidate A as the “right” choice)
 - Condition 1: All information shared
 - Condition 2: Some unique information, distributed to favour B

Relative Frequencies of PreDiscussion Preferences and Group Decisions

	Candidate		
	<u>A</u>	<u>B</u>	<u>C</u>
<i>Discussion dominated by (a) common knowledge (b) knowledge that supports initial preferences</i>	<u>Prediscussion Preferences</u>		
	Shared	67%	17%
	Unique, favor B	25%	61%
<i>Discussion perpetuated distorted pictures of candidates</i>	<u>Group Decisions</u>		
	Shared	83%	11%
	Unique, favor B	24%	71%

(Adapted from Stasser & Titus, 1985)

Dealing with the Common Knowledge Effect

Ineffective strategies:

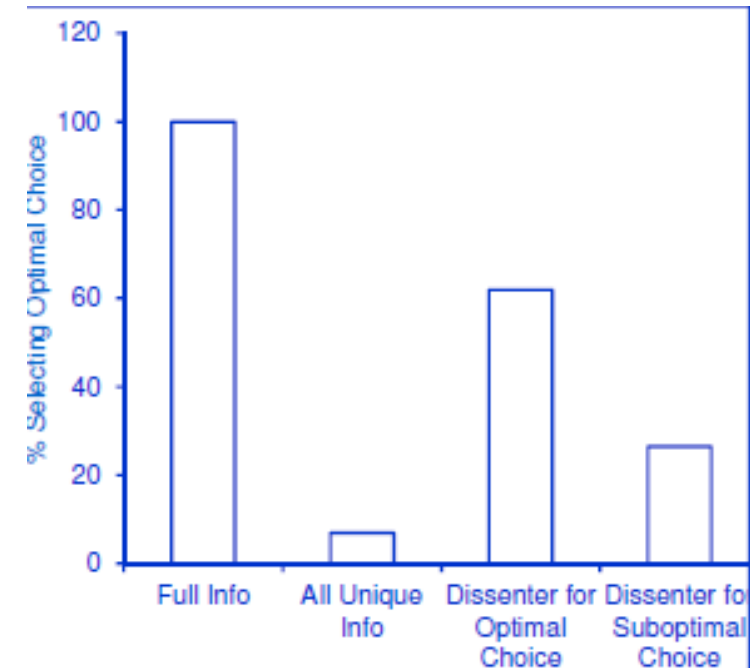
- Increase amount of discussion, information, time
- Increase group size; particularly similar others
- Provide incentives; make team accountable for decision
- Straw vote to understand where people initially stand

Effective strategies – set up the right process, structure, norms, and goals:

- Determine team members' knowledge and expertise:
 - » What do you know about this that I don't?
- Suspend initial judgment; wait for evidence
- Don't rely solely on the majority rule principle
- Redirect discussion to unshared information
 - » I heard you say something earlier that I did not know; that we did not discuss yet fully
- Include someone who explicitly signals differences
- Create psychological safety (e.g., familiarity) and norms for disagreement (e.g., devil's advocate)

The Benefits of Dissent

- Can a dissenter improve group decision-making outcomes?
 - 3-person teams engaged in Murder Mystery-like task (to select pilot)
 - Condition 1:
 - All have full information
 - Condition 2:
 - Each has unique information
 - Condition 3:
 - Dissenter who favours optimal choice
 - Condition 4:
 - Dissenter who favours suboptimal choice



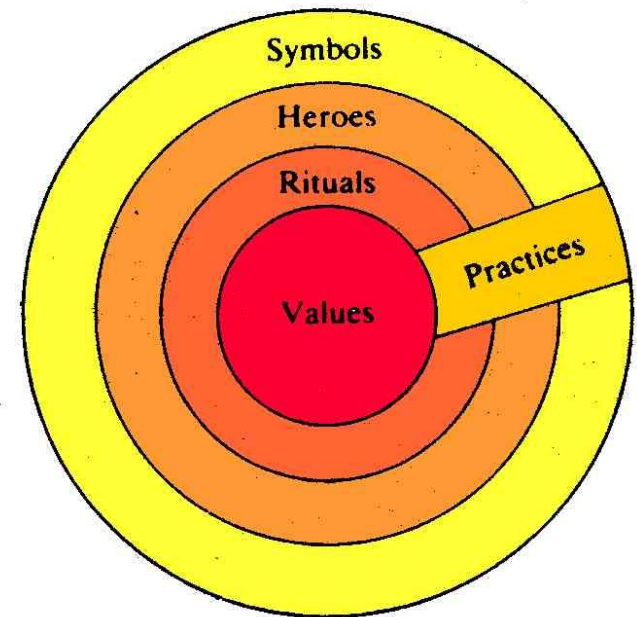
(adapted from Schulz-Hardt, Brodbeck, Mojzisch, Kerschreiter, & Frey, 2006)

Group Polarization

- Tendency to make more extreme (either risky or cautious) decisions when in a group than when alone
- Caused by
 - Confirmation bias (e.g., when an argument is raised, similar arguments are brought up)
 - Common knowledge effect
 - Dependence on one expert
 - Desire to fit in; conformity pressures
- Examples
 - Jury decisions (initial majority predicts consensus outcome 90% of the time, Kalven & Zeisel, 1966)

Diversity

- Host of individual differences that make people different from, and similar to each other.
 - Surface-Level
 - » Sex/Gender
 - » Race/Ethnicity
 - » Age
 - Deep-Level
 - » Personality
 - » Political Affiliation
 - » Religious Affiliation
 - » Sexual Orientation
 - Organizational
 - » Functional/ Departmental Affiliation
 - » Educational Background



The Cultural Onion

Problems with homogeneous groups

Homogenous teams can have the following ill consequences:

- Confirmation bias
- Conformity; groupthink
- Common knowledge effect
- Group polarization effect

Since homogeneity is a contributing factor to all of these consequences, it seems that diversity may be able to solve these problems.

Benefits and Costs of Social Diversity

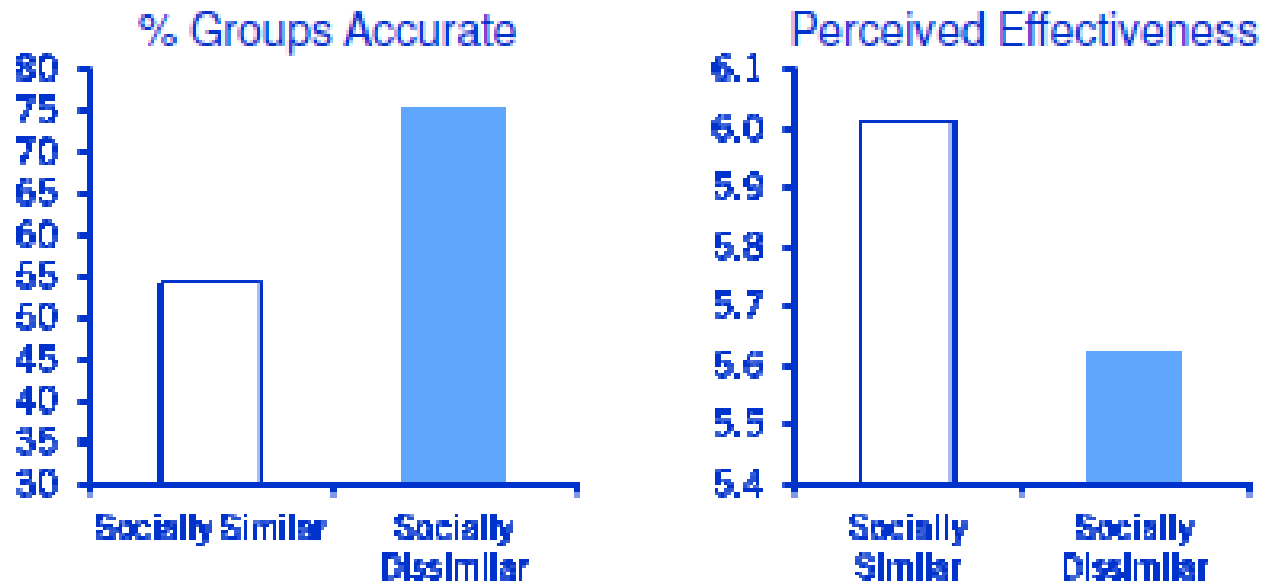
- In more homogeneous teams there can be:
 - Higher group cohesion
 - Lower turnover
 - Higher performance for simple, routine tasks

→ *People prefer to work with similar others; it's faster and easier to set up a homogeneous team*
- In more diverse teams, there can be
 - High performance and innovation
 - Conflict and coordination problems
 - Psychological barriers

→ *Sense that diversity is normatively appropriate and potentially useful for team performance even if problematic*

“There is substantial evidence to support the view that diversity (in age, tenure, and ethnicity) typically has negative effects on social integration, communication, conflict, satisfaction and commitment.”

Social Diversity and Task Performance



(Phillips, Lilienquist, & Neale, 2008)

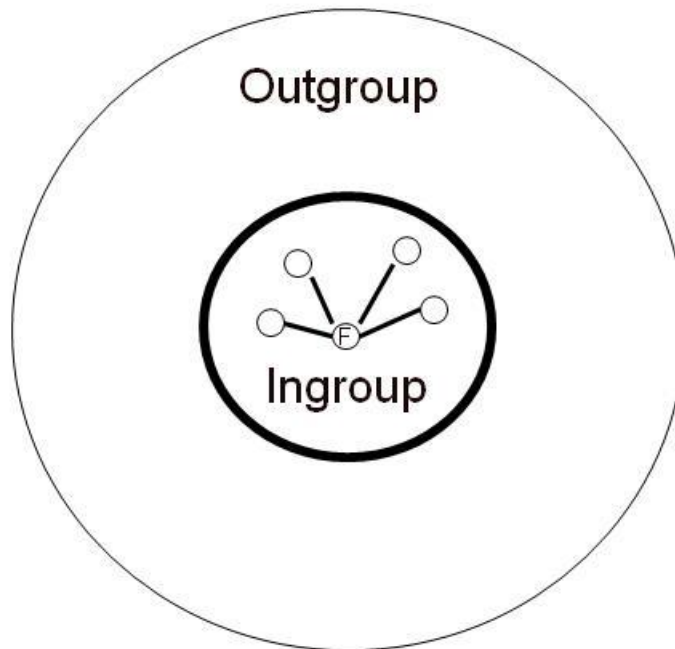
Socially similar groups although less effective than socially dissimilar groups perceive themselves to be more effective.

Some psychological barriers to social diversity

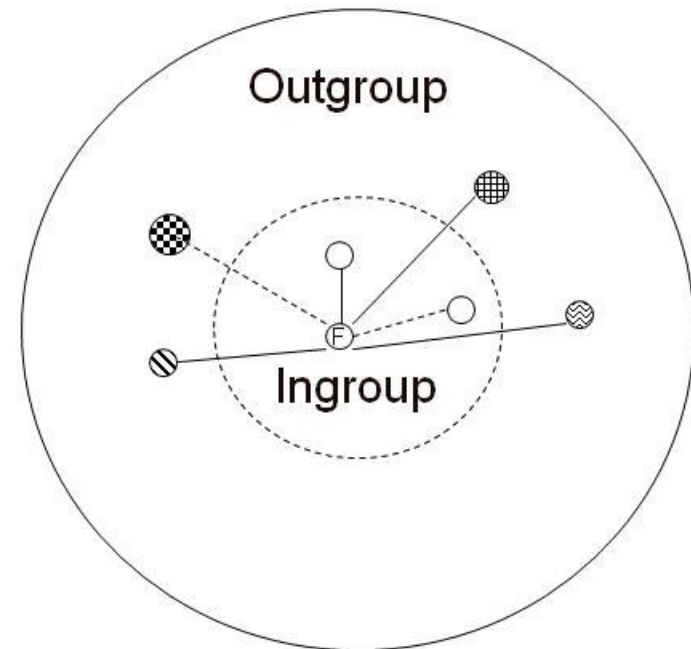
- Perceptual Errors
- Social categorization
 - Allows us to process social information quickly and also to understand who in-group members are
 - Stereotype content model: perceived competence and warmth predicts emotional and behavioral reactions (Fiske, Cuddy, & Glick, 2007)
- Social categorization sows the seeds for interpersonal conflict
 - Stereotyping, Halo Effects
 - Stereotype threat

Ingroup Centricism

Highly ingroup-centric



Not ingroup-centric

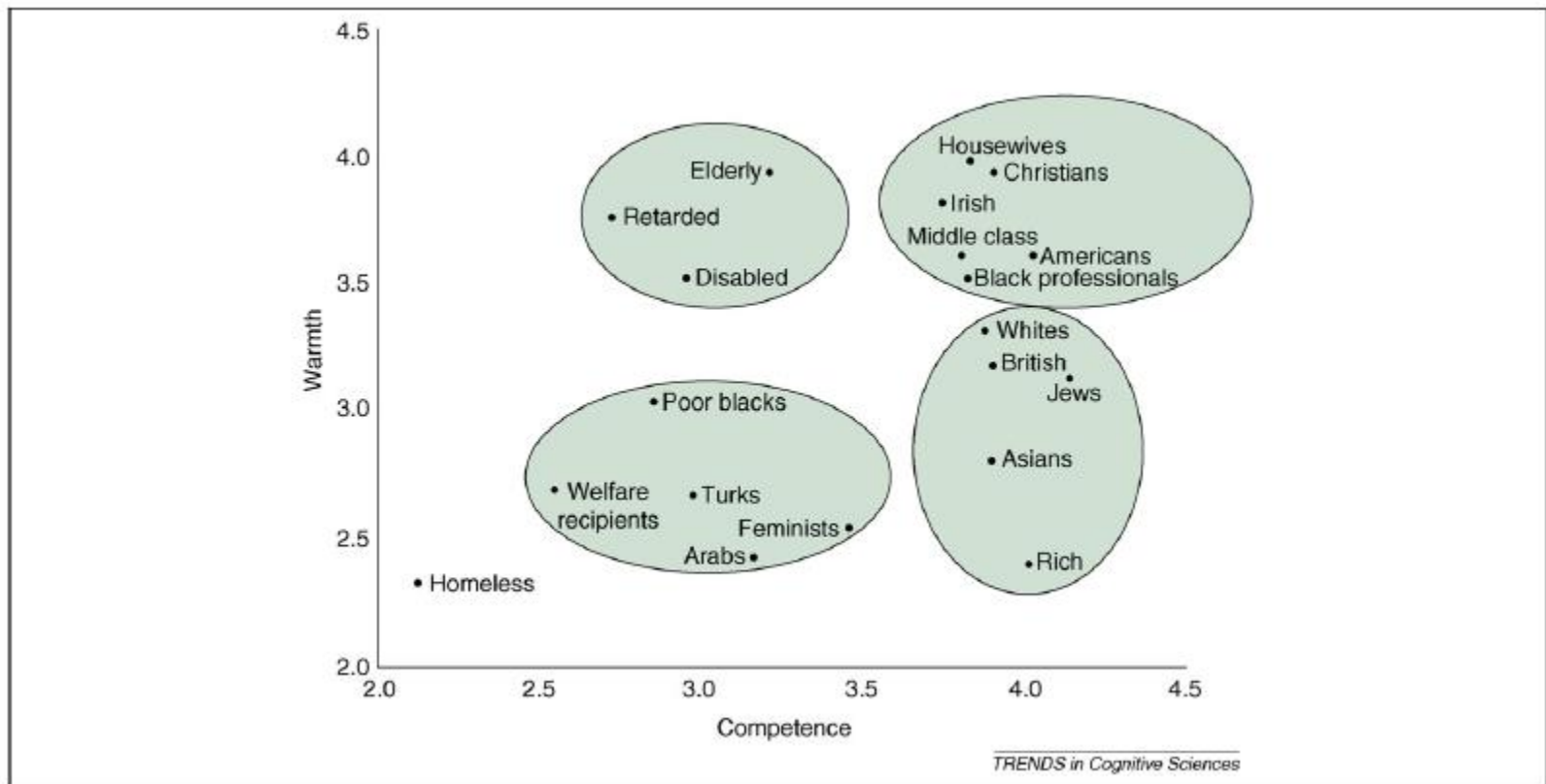


Ingroup: Depending on the situation, the ingroup could be family, organization, **country, race**, department, friends, etc.

Outgroup: Those who do not belong to the Ingroup

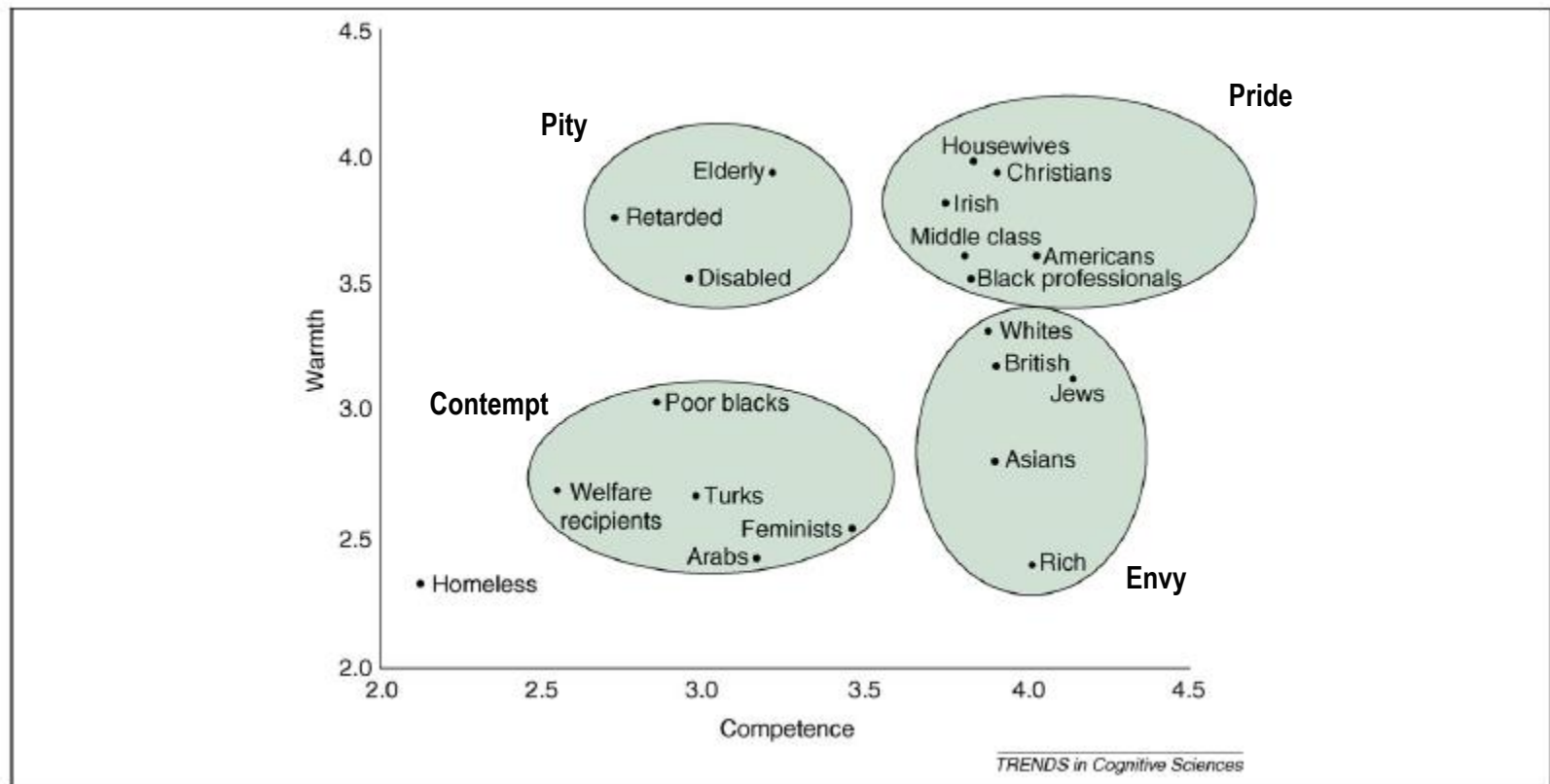
Social Categorization

- This is US Data
 - Which is the in-group and which are the out-groups?
 - What emotion/s does each out-group evoke?



Social Categorization

- Emotions



Definitions

Stereotyping

- Occurs when an individual assigns attributes to another solely on the basis of the other's membership in a *particular social or demographic category*

Prejudice/Bias

- An unjustifiable negative attitude toward a group and its individual members, with a strong link to emotions

Discrimination

- Unjustifiable negative behaviour towards a group or its members

Halo effects

- Occur when an individual generalizes about a variety of attributes based on the knowledge of one attribute of an individual

Stereotypes

- Stereotypes are commonly held beliefs about social groups
 - A consequence of the representativeness heuristic
 - Tend to be over-generalized and resistant to new information
 - Stereotypes can affect our judgments and behaviors of others and create ***self-fulfilling prophecies*** (Snyder, 1982)
- Examples
 - Are Emily and Greg more employable than Lakisha and Jamal? A field experiment on labor market discrimination.
 - The legacy of social exclusion

The Girls in Labs Controversy

“It’s strange that such a chauvinist monster like me has been asked to speak to women scientists. Let me tell you about my trouble with girls. **Three things happen when they are in the lab: you fall in love with them, they fall in love with you, and when you criticise them they cry. Perhaps we should make separate labs for boys and girls?**

“Now seriously, I’m impressed by the economic development of Korea. And women scientists played, without doubt an important role in it. Science needs women and you should do science despite all the obstacles, and despite monsters like me.”

Tim Hunt, Nobel Laureate, 2001,
Medicine



The Girls in Labs Controversy – Biases involved

- Selection bias
- Projection
- Negative stereotype
- Prejudicial
- Cultural insensitivity
- Context insensitivity

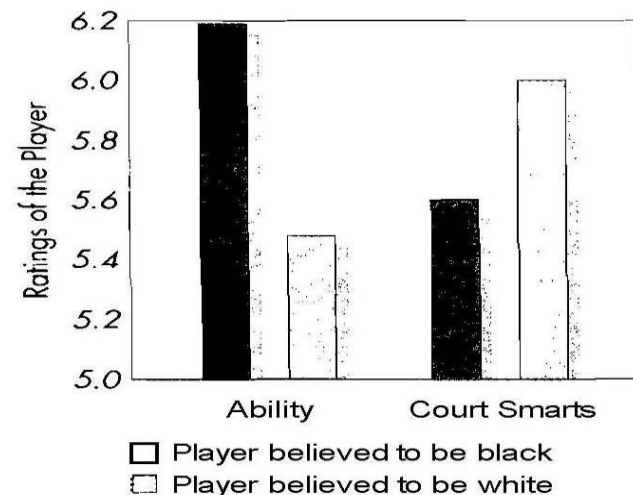
Stereotypes and Causal Attributions

- The objectively same behaviour is evaluated differently depending on whether the behaviour is performed by a member of a minority (Blacks, females, Gays) or majority group (Whites, males, Heteros)
- This has large implications on hiring decisions, performance evaluations, board appointments...
- Remember always “consider the opposite”

FIGURE 5.2

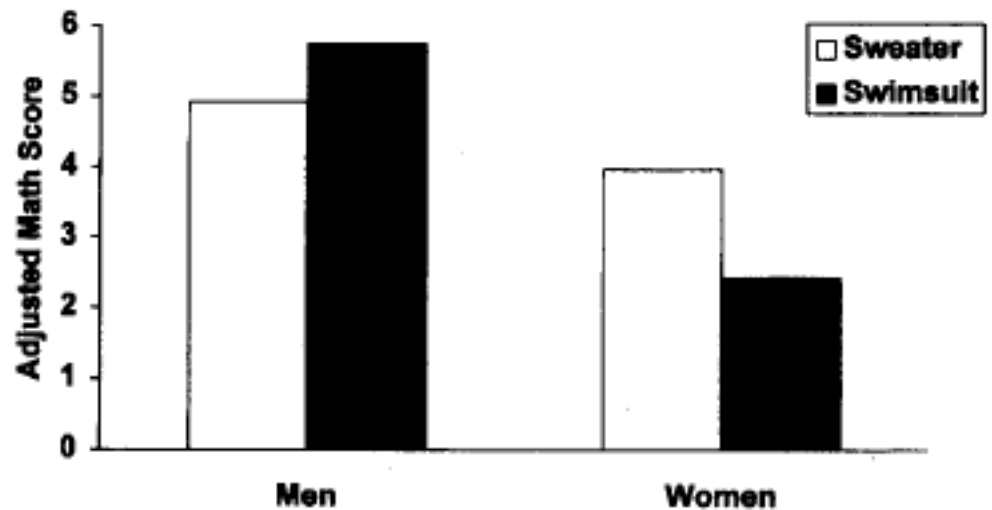
“White Men Can’t Jump”?

Students listened to a college basketball game and evaluated one particular player. Half of the students were led to believe that the player was black; the other half, that he was white. Consistent with their stereotypes, the students perceived the player as having more physical ability if they thought he was black and as having more “court smarts” if they thought he was white. (Stone et al., 1997.)



Stereotype Threat

- Is a self-fulfilling prophecy of a stereotype
 - A fear that your behavior will confirm a stereotype about a group that you belong to or identify with
 - Can enhance or impair performance (e.g., stereotype threat can hurt women's negotiation outcomes)



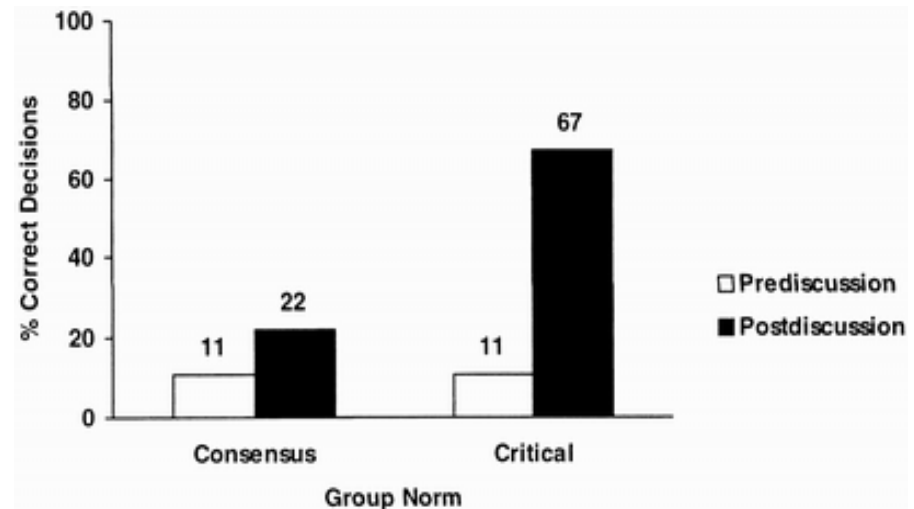
(Fredrickson, Roberts, Noll, Quinn, & Twenge 1998)

American culture → Women see themselves as society sees them → Self-objectification → Body shame → Consumes attentional resources → Lower math performance

Group Norms

Can “norms” increase information sharing?

- 4-person teams engaged in 2 tasks
- Task 1: Consensus norm (work together to create poster) or critical norm (debate issue)
- Task 2: Task where each person had unique information (to select best candidate for faculty position)

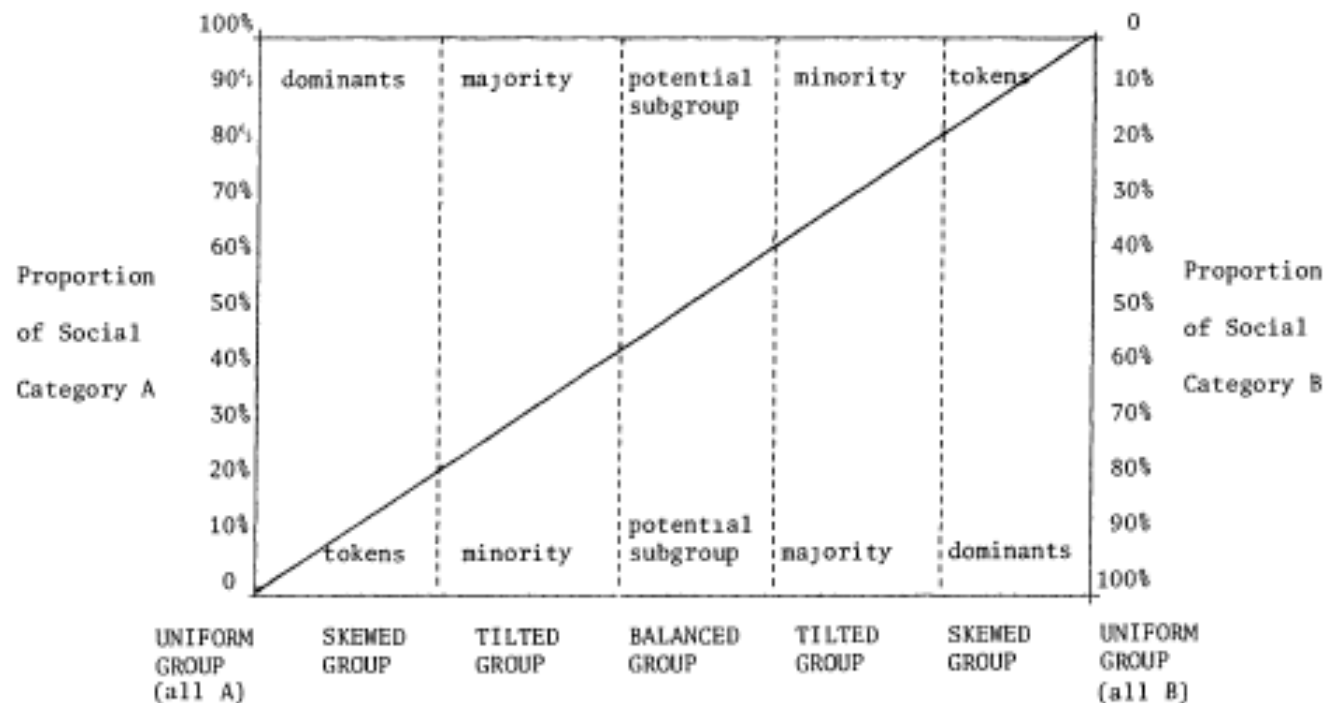


(Postmes, Spears, & Cihangir, 2001)

‘Critical debate’ norm → Sharing unique information → Better decisions

Token group members

- Types of groups
 - Tokens → <15% of the group on that category



Token group members

- Consequences of presences of tokens
 - Visibility
 - Tokens have higher visibility than dominants
 - Polarization, i.e., exaggeration of differences
 - Greater consciousness of commonalities/differences
 - Assimilation
 - Characteristics of the token tend to be distorted to fit the generalization
- Problems of tokens
 - Higher scrutiny from co-workers and superiors
 - Performance pressures are higher
 - Boundary heightening
 - Role entrapment, individuality compromised
 - Increased visibility makes mistakes more salient
 - Weaker performances are severely reprimanded

Dealing with diversity problems

Individual-level intervention

- Create superordinate goals to overcome social categorizations
- Train individuals in perspective-taking
- Incentivise: individuals can correct for their biases if they are motivated to do so
- Seek contact

Organizational intervention

- Make line managers responsible to make it work
- Dedicated mentoring (modest effect)
- Diversity training (**has no effect**)

Managing Diversity Takeaways

- Diversity can exist in many forms: informational, race, gender etc.
- Choose team members carefully depending on the task
- Be careful of common knowledge effect and group polarization
 - To maximise unique information exchange, establish the right process, structure, norms, and goals that
 - Promote cognitive conflict while
 - Minimizing relationship conflict
- Empirical findings on diversity and performance are mixed
 - Homogeneity is efficient but could lead to narrow thinking whereas heterogeneity or diversity is difficult but could lead to better decisions if managed well
 - Maximization of benefits of social diversity requires
 - Individual motivation to counter psychological barriers and
 - Organizational support to actively manage diversity efforts